

Proposition 10

Alternative Fuel Vehicles and Renewable
Energy. Bonds. Initiative Statute.

Proponents: Allison Hart, Mitzi Dudley &
Thomas Daly

July 14, 2008
Initiative 07-0101
SOS 1332

BALLOT LABEL

**ALTERNATIVE FUEL VEHICLES AND RENEWABLE ENERGY. BONDS.
INITIATIVE STATUTE.**

Authorizes \$5 billion in bonds paid from state's General Fund, to help consumers and others purchase certain vehicles, and to fund research in renewable energy and alternative fuel vehicles. Fiscal Impact: State cost of about \$10 billion over 30 years to repay bonds. Increased state and local revenues, potentially totaling several tens of millions of dollars through 2019. Potential state administrative costs up to about \$10 million annually.

**SUBJECT TO COURT
ORDERED CHANGES**

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BALLOT TITLE AND SUMMARY

**ALTERNATIVE FUEL VEHICLES AND RENEWABLE ENERGY. BONDS.
INITIATIVE STATUTE.**

- Provides \$3.425 billion to help consumers and others purchase certain high fuel economy or alternative fuel vehicles, including natural gas vehicles, and to fund research into alternative fuel technology.
- Provides \$1.25 billion for research, development and production of renewable energy technology, primarily solar energy with additional funding for other forms of renewable energy; incentives for purchasing solar and renewable energy technology.
- Provides grants to cities for renewable energy projects and to colleges for training in renewable and energy efficiency technologies.
- Total funding provided is \$5 billion from general obligation bonds.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- State costs of about \$10 billion over 30 years to pay off both the principal (\$5 billion) and interest (\$5 billion) costs of the bonds. Payments of about \$335 million per year.
- Increase in state sales tax revenues of an unknown amount, potentially totaling in the tens of millions of dollars, over the period from 2009 to about 2019.
- Increase in local sales tax and vehicle license fee revenues of an unknown amount, potentially totaling in the tens of millions of dollars, over the period from 2009 to about 2019.
- Potential state costs of up to about \$10 million annually, through about 2019, for state agency administrative costs not funded by the measure.

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